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TANGLED TALE

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The CIA played a devious but leading role in the rise and fall of Bishop, Baldwin

*Ron Rewald's defunct consulting firm was a
front in the most embarrassing tradition.*

It's beginning to look like Honolulu bankruptcy trustee Thomas Hayes took on more than he bargained for when, court appointment in hand, he first strode into the offices of Bishop, Baldwin, Rewald, Dillingham & Wong, Inc.

That was early last August and Hayes' takeover of the Honolulu investment counseling firm with the staccato name capped a landslide of events that in less than a week had



Ron Rewald

toppled the company from prominence to ruin.

On July 29, a local television station aired a report that Bishop, Baldwin

was under investigation by state consumer protection authorities and hinted that the firm's chairman, 43-year-old Ronald R. Rewald, may not be the classy investment wizard that most everyone thought him to be.

The next day, Rewald was found in a Waikiki hotel room with his wrists slashed. Rushed to a hospital, he quickly recovered from what the police said was an attempted suicide.

But while Rewald was still in the hospital, the investment empire he'd formed just five years before came unglued. After a half-hearted attempt at business as usual, Rewald's partner, Sunlin "Sunny" Wong, promptly resigned as company president and declared his willingness to cooperate with any and all of the state and federal investigators suddenly gathering on Bishop, Baldwin's doorstep. The dapper, 34-year-old Wong was quickly followed in his hasty exit by many of the 30 or more attorneys, accountants and others that Bishop, Baldwin had brought on board as well-paid professional "consultants."

On August 4, a Honolulu federal court declared Bishop, Baldwin involuntarily bankrupt and froze its assets, along with those of the company's still-hospitalized leader, Ron Rewald.

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happened to their money was that it had been spent, not on the high-yielding investments that had attracted the depositors but on a cornucopia of business and personal expenses that, said Hayes, had emptied the company's coffers.

Rewald, declared Hayes to a stunned Honolulu business community, had run an elaborate scam. His words were echoed by the bankruptcy judge, who labelled Bishop, Baldwin a "Ponzi scheme" wherein investor funds were siphoned off for ulterior purposes and paid back only as necessary to keep up the pretence of legitimate investments.

To no one's surprise, Rewald was arrested on his release from the hospital on theft charges from two investors. One of them was John C. "Jack" Kindschi, a former Bishop, Baldwin consultant and close associate of Rewald's. Kindschi had been one of Rewald's first visitors in the hospital. Before he joined Bishop, Baldwin in 1981, he was the Honolulu section chief for the Central Intelligence Agency. Bishop, Baldwin's records carried Kindschi as a \$185,000 investor in the company. They also revealed that on the day of Rewald's attempted suicide he withdrew \$140,000 from his account.

Subsequent disclosures show that prior to his "retirement" from the CIA, the 56-year-old Kindschi had written personal checks to Bishop, Baldwin and three associated companies totalling about \$2,000. The checks, all

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